Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY

THE POLITICAL FUTURE OF SPAIN

ORE 56

5 December 1947

Copy No. 47

Document No. 001
NO CHANGE in Class. ☐
☒ DECLASSIFIED
Class. CHANGED TO: TS S C
Auth: [illegible] 77/1563
Date: 17/1/78 By: 011

21 Jul 92
92-A

~~SECRET~~

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

"This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C., 31 and 32, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law."

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

This document has been
approved for release through
the Historical Review Program of
the Central Intelligence Agency.
Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

ORE 56 SECRET

5 December 1947 Date 21 Jul 92 Copy No. 47

HRP 92-4

THE POLITICAL FUTURE OF SPAIN

SUMMARY

Under its present government, Spain provides no current threat to US security because, however antithetic Franco's political philosophy may be toward Democracy, he must presently favor the Western Powers as the only alternative to the Eastern, toward which he has demonstrated his antagonism. The Franco Government, furthermore, is relatively secure for the time being; it controls all power in the state. Its downfall, solely as a result of political activity generated within Spain, seems unlikely. From a long-term point of view, however, Franco cannot be relied upon to remain indefinitely friendly toward any democratic country, nor can it be assumed that his regime will persist.

In view of the fact that a Spain dominated by an unfriendly power would adversely affect US security, consideration must be given to the types of government which could emerge should Franco be replaced. There appear to be four types of alternate regime: a restored monarchy under Don Juan, a reconstituted Popular Front, a Communist regime, or a Centrist coalition.

A Bourbon restoration with Don Juan as king shows small likelihood of peaceful durability, as the monarchy would require a wider basis of popular support than presently exists. The Popular Front, discredited in the public eye by the disorders of 1936 and the propaganda of the present regime, has attempted to purge itself of Communist elements, but cannot escape the factionalism which is a characteristic weakness of the Spanish Left. It is doubtful if representatives of the political entities which formed the Popular Front could by themselves create a stable government for Spain, because of their anticipated inability to control the masses. A possible development resulting from a period of chaos, would be the emergence of a dictatorship of the proletariat. The Spanish Communist Party, although now a small element in the suppressed opposition, might succeed in obtaining control in Spain either through invasion by the USSR or possibly as the outgrowth of a more general leftist uprising in which foreign support was made most rapidly available to the Communist faction In both contingencies the strength of Communism in Western Europe generally, particularly in France, would be a decisive factor in relation to the USSR's capacity to dominate Spain.

The development offering the greatest promise of long-range stability in Spain combined with friendliness toward the US is the effort of moderate political leaders from both Right and Left oppositions to suppress old antagonisms and cooperate in a centrist movement. Simultaneously they have more definitely than ever isolated the Spanish Communists and fellow travelers. The trend among non-Communist opposition politicians is toward a breaking down of the compartmentalization which hitherto has rigidly separated them because they were ranged on opposite sides during the Civil War. A fusion of these non-Communist oppositions offers almost the only prospect

Note: This paper has been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and Air Force.

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

for the creation of a widely based, widely supported government which could replace the Franco regime in the event that the Army were induced to withdraw its allegiance from *el Caudillo.*

The peaceful assumption of power by such a government cannot be expected, however, until a sincere meeting of minds between moderates of the Right and Left is achieved and until some change in the present situation occurs which would lead the Army to support a transfer of authority from Franco to a moderate government. Once in office, a centrist government could not fulfill the promise of long-term stability unless it received economic aid and political encouragement from abroad. In the meantime, unless the opposition unites, and unless the Army is persuaded of the advantage of switching its allegiance to the opposition, the Franco regime will continue to rule by default.

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

THE POLITICAL FUTURE OF SPAIN

The diplomatic control or the physical occupation of Spain by a powerful nation hostile to the US would adversely affect US security interests in Western Europe, the Mediterranean, North Africa, the Atlantic islands, and probably also in Latin America. In the event of a war between the US and the USSR, the Iberian Peninsula, because of the Pyrenees, might serve as the site for a brief delaying action against a Soviet advance from France. The Peninsula's chief value to either belligerent, however, would be as a site for air and naval bases from which to control the western Mediterranean and its Atlantic approaches. Although Spain's difficult terrain and inferior road and rail nets render the area unsuitable for use as a base from which to mount a ground counterattack on other countries of Western Europe, its geographical position makes it of strategic significance to the US. The US, therefore, requires a friendly, stable, and independent Spain.

While the Spanish people are generally friendly toward the US, the national friendship depends on short-range questions of domestic and international need or advantage and of Spanish sensitiveness to interference with the national sovereignty. These conditions will always be used by the present government, through its ability to control public information and stimulate mass demonstrations, so as to shape the attitude of the people toward the US. So far as stability is concerned, the present Spanish Government is not in any immediate danger. Although it is increasingly threatened by poor economic conditions, it is supported by the Police, the Army, and the Church. The Government lacks long-range stability, however, in that it is based on personal rule. In the event of the death or incapacity of the ruler, despite the recent Law of Succession, there is no assurance that his successor would be adroit enough to control the situation. As for Spain's independence, Franco has proved that he is the ruler and that Spanish policy has been directed from within the country.

Various factors are at work, nevertheless, to undermine the present regime. This situation and Spain's strategic interest to the US suggest the advisability of analyzing the main alternative types of government which may hold power in Spain. These will be considered under five headings: (a) the Franco regime; (b) a restored monarchy under Don Juan; (c) a reconstituted Popular Front; (d) a Communist government; and (e) a Centrist coalition.

1. The Franco Regime.

Although General Franco has remained in power for the eight years since the end of the Civil War, his regime has been unable to capture the genuine mass support of the people. Such support as it receives from the people arises from their fear of civil war and of Communism. The regime has utilized corrupt means to consolidate its power and is now unable to overcome the corruption in the Government. It has not granted effective general amnesty to the defeated elements in the Civil War, and political arrests have increased during the past year. Many of the deep-seated causes of social and political unrest remain uncorrected. The regime, which took power by force, has suppressed all civil and political liberties.

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

The economic picture within Spain is similarly gloomy. The foreign exchange situation is critical and the internal economy precarious. A recent loan agreement with Argentina has been helpful, but financing for large-scale importations of machinery and raw materials is badly needed. Because of its exclusion from specialized agencies associated with the UN, it is presently impossible for Spain to obtain funds through the International Bank or the World Stabilization Fund. The unfavorable import situation has not yet seriously injured the majority of small businesses in Spain, but if it continues, it must sooner or later have an adverse effect on many of the middle-class conservatives who have up to now regarded Franco as the best guarantee of their security.

Private enterprise under Franco is restricted by state controls and bureaucracy. The State's highly publicized social program does not offset the serious discrepancy between wages and the cost of living. Food rationed at government-controlled prices does not provide an adequate diet, and officials admit that undernourishment has slowed down labor's output. The politically conscious industrial workers of the Bilbao and Barcelona production centers are dissatisfied, and in some cases have received covert support from management in protest actions.

At the present time, the Franco regime shows some signs of trying to win the adherence of labor by radical economic concessions, these efforts being apparently inspired by the success of President Peron in Argentina. Franco has failed to achieve, however, a degree of national prosperity sufficient to overcome the opposition of property-holders to radical social and economic reform. Regardless of the degree of economic prosperity Franco could achieve, he would never win over the leaders of the formerly free trade unions, who are committed to his outright overthrow.

Government expenditures customarily exceed revenue, the deficit for 1947 amounting to 1 billion pesetas. About 47% of the budget is consumed by the armed forces and security police. Any effort, therefore, by General Franco to check national inflation by balancing the budget would involve the reduction of the military establishment, upon the maintenance of which his own tenure so much depends.

Largely upon the basis of this Army support, plus the generally felt fear of political change and renewed civil war, Franco remains in power. War-weariness, disillusionment, and fear have contributed to the general apathy which marks the entire Spanish political scene, nor has there yet arisen within Spain—nor could there arise in this state—any younger figure, any vitalizing political idea, of sufficient force to capture the imagination of the masses, even though Franco's opponents may numerically outweigh his supporters. Thus, in a sense, Franco rules by default, and his downfall solely as the result of any political action generated within Spain is unlikely.

In terms of Spanish history, moreover, the Franco Government has already demonstrated unusual durability. Those who believed that Franco's close links to Germany and Italy would lead to his collapse were mistaken. Politically adroit, Franco never allowed his close ties with the Axis to pull Spain into the war. By showing an increasingly conciliatory attitude toward the US and the UK as an allied victory became more probable, Franco nullified Anglo-American pressures to force his removal. Nevertheless, the US, in a joint declaration with the French and British Governments on 4 March 1946, publicly advocated a "peaceful withdrawal of Franco" and pledged

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

to a successor regime guaranteeing democratic liberties "full diplomatic relations and the taking of such practical measures to assist in the solution of Spain's economic problems as may be practicable in the circumstances prevailing." In the UN General Assembly, December 1946, the US Delegation supported the resolution condemning the Franco Government of Spain and recommending that it be debarred from membership in international agencies associated with the UN, and that the member nations withdraw their Ambassadors and Ministers from Madrid. This resolution was not specifically reaffirmed, but was left in force, following renewed discussion of the Spanish question in the UN General Assembly session of 1947.

Spanish National Syndicalism, the political mould which Franco and his advisers have shaped for their country, is proclaimed as "unalterably opposed to liberal capitalism" as well as to "Marxist materialism", so that Franco's present conciliatory attitude toward the Western democracies seems more a reflection of Spain's need to come to terms with the "lesser of two evils" than a manifestation of sincere or lasting friendship. Franco's deference to the US is contingent upon the maintenance of US military, economic, and political leadership, and thus carries no guarantee of continuity in a future of changed circumstances. Already the Spanish Government is seeking to lessen its dependence on the dollar by barter agreements and by cultivating diplomatic and commercial relations with the Arab states, apparently with the objective of obtaining petroleum from Arab sources, as well as of improving its relations with native Moroccans.

While the stability of the Franco regime is demonstrable, another aspect of the situation requires emphasis: the Franco regime is presiding over a continuing national deterioration. Barring a more drastic change in policies and greater gains in economic strength than seem possible so long as present national leadership results in Spain's exclusion from the European Recovery Program, the indefinite prolongation of the regime means an intensification of the factors that favor revolution. Five or ten years hence Spain may be more explosive than now. If the USSR is at that time able to take advantage of Spanish unrest, the possibilities of installing a Communist regime in Spain will then have increased.

The reasons the Franco regime, despite its current stability, presents disadvantages to US interests may be summarized as: (1) The political and economic theories upon which the regime is based, and the attitudes of its leaders, conflict with US political ideology. This points to the prospect that Spain, because of its different outlook, might in certain circumstances use its influence against the US or might insist upon remaining in a "middle" or neutral position when a more positive alignment with the US was desired by the US. (2) Its repressive measures and unpopularity with the Spanish masses serve to drive these masses toward extremist programs, with the possibility that they will be increasingly attracted toward Communism and the USSR, which has taken pains to dramatize its opposition to the Franco regime. (3) The regime's dependence upon force to retain power delays preparation of the Spanish people for democratic development. (4) Its unpopularity with large numbers of people throughout the world embarrasses the US in all its dealings with Spain, postponing the time when the US can restore normal relations with a country potentially valuable as a friend.

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

2. RESTORATION OF THE MONARCHY.

A restoration of the monarchy with Don Juan as king has frequently been suggested as a logical and convenient alternative to Franco. The Pretender has denounced Franco and is pledged to re-establish a constitutional monarchy. A restoration offers, in theory, a greater political permanence than would another dictator or military junta. This change is, however, unlikely for various reasons and, if accomplished without prior agreement with substantial anti-Franco elements of the Left, would be faced with major obstacles to long-range stability.

The Franco regime, by means of a Law of Succession approved by a national referendum on 6 July 1947, has diminished the advantages a returning monarchy have appeared to offer. The law characterizes Spain as a kingdom and provides for a Council of the Realm to take over in case of Franco's death or incapacity. In effect, however, this law makes Franco king in all but name, with the privilege of choosing his successor who may be but does not have to be, a prince of the royal blood. Don Juan has rejected an offer of the throne under such terms. Consequently, the monarchist ranks have been divided between those who are satisfied with the forms and institutions of a monarchy as such, regardless of the traditional dynasty, and those who conceive their loyalty as due to the Bourbon dynasty. The former can accept the Law of Succession as a step toward the reinstatement of a kingdom, whereas the pro-Bourbons view it as an unjustifiable interference in the traditions governing the succession and a derogation from the rights of the Sovereign. Following Don Juan's repudiation of the Succession Law, Franco's propagandists began to harp upon the historic defects of the Bourbons and the "irresponsibility" of the Pretender.

Franco, in Bourbon eyes, is a usurper; yet it is doubtful that the Spanish people share the resentment felt by the Bourbons and their followers for dynastic reasons. Such popular enthusiasm for the idea of monarchy as does exist is probably attributable to the fact that the one relatively prosperous period which living Spaniards can recollect, the mid-1920's, was enjoyed under that form of government.

Should Don Juan come to the throne solely with the support of the Spanish Right, he would incur the enmity of Liberals and Leftists. Although Don Juan has shown some sign of liberal inclinations, he lacks the vigorous personality which would be necessary if he were to break away from the traditional framework of Bourbon rule. Tradition would oblige him to lean heavily for support on conservative elements, especially the Church, the Army, and the landed aristocracy, upon which Franco himself depends. While Don Juan retained the backing of the Army, his government would have at least the same stability which has characterized the Franco regime. Although propaganda directed from Moscow would attack the monarchy with as much violence as it now directs at Franco and exploit popular suspicion that the change had been engineered by foreign, especially British, diplomacy, on balance the new regime would benefit by its freedom from the taint attached to Franco's name. This would improve Spain's chances to receive extensive foreign economic aid. Nevertheless, most of the long-range domestic factors working against the present regime would operate to undermine this monarchy. It would have no better prospect than Franco of healing the breach of the Civil War and winning over republican elements. Moreover, the king

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

and his ministers might show less skill than the *Caudillo* in controlling the forces upon which their power rested.

In these circumstances, the monarchy as an institution offers small promise of lasting success.

3. RETURN OF THE POPULAR FRONT.

The Popular Front serves to symbolize the Spanish Left. It was the victory of this league of political parties and trade unions in the general elections of February 1936 which brought to a climax the tension between the political Left and Right. Franco's retaliatory legislation not only has made all the political components of the Popular Front illegal but has severely penalized anyone who was connected with the electoral victory of 1936. The Popular Front, being identified in the popular mind not only with the rise of anti-clericals and labor leaders to power, but also with the conditions of disorder in 1936, is now likely to have little appeal to the average Spaniard.

In conformity with the Constitution of the Republic three cabinets have been formed in exile. The first, although a coalition of most leftist parties, was led by non-Marxist Republicans. The second, also a coalition, put less stress on pure Republicanism because it was dominated by Socialists who were interested in broadening the Government's basis beyond the scope of the Popular Front to include Rightists who had not been loyal to the Republic. The third, formed by Republicans after the Socialist Party had withdrawn, has tacitly accepted the duty of symbolizing Republican legality without demanding the direct restoration of the Republic. Aiming to escape the stigma of the discredited Popular Front, it has no Communist representation. This latest shadow government is the least widely representative of the three.

None of the governments-in-exile has ever aroused enthusiasm within Spain, nor has any been accorded authority to lead the Left by the active opposition leaders inside the country. Even the leftist movements represented in these shadow governments have not succeeded in coordinating the views of their underground and exiled leaderships. Only the Spanish Communist Party exercises firm control from abroad of its internal active membership.

Because of the absence of free elections during the past decade, the comparative strengths of the various leftist groupings cannot be known either to foreign observers or even to the leftist political leaders themselves. In the confusion of Party labels and Party schisms, it can only be stated that the Spanish Left in essence consists of five main movements: republicanism, socialism, anarcho-syndicalism, communism, and the Basque, Catalan, and Galician movements for regional autonomy within a federation. All of these movements show vitality, but they suffer collectively from the effects of factionalism and suppression. Their past relations, their indiscipline, the bickerings among their leaders, the enmity toward them of the Spanish Rightists, and their lack of physical resources at the present time within Spain, make any assumption of power by a government based only upon support from these leftists entities most unlikely. The effort of such a government to replace Franco would produce violence and instability because this government would lack the means, without foreign intervention, to ensure peaceful conditions long enough for any outside economic aid to become effective.

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

4. COMMUNIST MOVEMENT.

In the event that a leftist uprising aimed at the forcible overthrow of the Franco regime should begin, the present Government could suppress the insurrection with relatively little difficulty unless foreign powers sent rapid, large-scale aid to the revolutionaries. If, however, this insurrection should survive, it is probable that its leadership sooner or later would be assumed by extremists who would push aside any moderate leftist leaders who might have been associated with the uprising. In view of the magnetic power of the USSR and the energy and discipline of the small Spanish Communist Party, it is highly possible that Communists would acquire a dominating influence. In these circumstances, if the revolt proved successful, a dictatorship of the proletariat, responsive to Soviet guidance, would supplant the present regime. Franco's supporters insist that it was to prevent the establishment of such a dictatorship that they rebelled against the Republic in 1936, when the non-Marxist Government showed itself either unable or unwilling to stem the tide of Marxist domination.

The efforts of the Spanish Communist Party to infiltrate into other leftist organizations, the acts of anti-Franco terrorism boasted by the Communist press-in-exile, the international Communist-inspired rallies designed to provoke foreign intervention in Spanish affairs, and the arrests by Franco's police of Communist workers within Spain all show the zeal with which the Communists have worked to embarrass Franco and to obtain a guiding influence in Spain's politics after he is gone. The record so far provides no evidence, however, that the Spanish Communist Party will succeed in gaining control of Spain. The hostility to Communism on the part of the great majority of Spaniards, both of the Left and the Right, is a strong barrier to Communist progress. This opposition is so extensive, indeed, that it seems improbable that a Communist-controlled government could install itself and obtain an adequate basis of popular support without powerful backing from abroad. A Communist regime in Spain would adversely affect US security, therefore, because it would either be the product of, or would lead to, an extension of Soviet influence to the Iberian Peninsula.

Should the Communist movements in France and Italy so decline in strength as to lose their prospects for attaining power, the Communist threat to Spain, such as it is, would correspondingly decline. In such circumstances the possibility of Spain's falling under the control of the USSR by political means would be reduced to zero. As a further result the Franco regime might be either strengthened or weakened. The elimination of Communist pressure would enable Franco, if he chose, to relax some of his repressions and permit the evolution of a more democratic government. Franco's record indicates, however, that he opposes popular participation in government and that he would not acknowledge that a weakening in French and Italian Communism meant the elimination of the Communist menace in Spain. It is most unlikely, therefore, that he would substantially alter his present domestic policies as a result of events in France and Italy. The subsiding of the general Communist menace would deprive Franco of much of the force behind his contention that he is needed to serve as a bulwark against this threat; and would encourage many opponents of Franco, who at present prefer the status quo to any action that might open the door toward a Communist coup, to increase their opposition activities on the theory that it was now safe to change the regime. It thus seems probable that Franco, unless his regime

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

had already received aid from the Western Powers sufficient to halt the general economic deterioration of Spain, would find a reduction in the French and Italian Communist menace a disadvantage to him.

5. A CENTRIST COALITION.

During the last few years, many Monarchists and Leftists have suppressed their traditional aversion and have overcome obstacles put in their way by Franco to the extent of exploring the possibilities of cooperation. The very fact that they established and maintained contact was a considerable step toward a center alignment. Their apparent realization that excessive factionalism has contributed to Spain's political undoing should assist these efforts toward union. International diplomacy has meanwhile made it abundantly evident that only the USSR and its satellite states favor direct action to force Franco out and that any internal opposition movement must show more strength than has so far appeared in such movements before nations will concede its importance.

The obstacles to a successful rapprochement between elements which took opposite sides during the Civil War are numerous. An outstanding practical difficulty is the suppressive power of Franco's police state, which makes it necessary that all negotiations be conducted abroad or clandestinely. The lack of safe, speedy means of communication delays such negotiations, leads to misunderstandings, and allows distrust to spring up betwen normally like-minded groups in the interior and abroad. Another important handicap is the problem of assessing the representative quality of a negotiator who affirms that he has the backing of a particular clandestine group. In contemporary Spain, where freedom of association and information does not exist, it is impossible to ascertain the strength of any leader or, at times, even to verify his claim to leadership. The Monarchist camp is almost as confused in this respect as the leftist complex, various military leaders and rightist politicians in Spain having claimed authority at different times to represent Don Juan's interests.

Slow and faltering though the efforts toward centrist rapprochement have been, they have received a new stimulus as the result of conversations in London during October 1947 between a prominent Monarchist, Gil Robles, and the leader of a bloc of moderate Socialists, Indalecio Prieto. For the first time since the outbreak of the Civil War, two of Spain's outstanding political opponents, one of whom at the time of the last general election was the acknowledged leader of the Right, while the other was among the chief figures of the Popular Front, have conferred on the subject of Franco's elimination and reached a substantial measure of accord. The intense reaction in Madrid to these conversations showed the perturbation of the Spanish Government. Both Gil Robles and Prieto have been bitterly attacked in the controlled press. Certain Rightists have been deeply shocked that a prominent Rightist should apparently conspire with a man of the Popular Front. The British Government's association with the conversations has raised the cry of foreign intervention.

While prevailing apathy in Spanish conservative circles has been jolted, and the possibility is enhanced that a coalition will be formed which could be acceptable to the Army, the church, and the laboring classes as well as to the Western Powers, it would be premature to conclude that sufficient progress has been made to carry this solution to the point where it would oblige Franco's peaceful withdrawal. ~~This~~ D/S agreement exists as

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

to the nature of the provisional government that would succeed Franco and as to the timing of a plebiscite to ascertain the will of the people regarding a permanent government.

The conditions which would enable a centrist coalition to take power and provide stability are: The voluntary transfer of Army loyalty to a new leadership, substantial Vatican support, the sympathetic cooperation of the Western Powers, as well as the lasting submergence of old hatreds by the majority of responsible Spaniards. A provisional centrist coalition government probably would fulfill the requirements of the Tripartite Declaration of 4 March 1946, which contains the pledge of the US, the UK, and France to accord diplomatic and economic support to a democratic government which has succeeded Franco. Such a change also presumably would remove the chief reason for the British and French recommendation to exclude Spain "provisionally" from the European Recovery Program.

If assured of foreign economic aid, a provisional centrist coalition government would have the prospect of leading Spain toward long-term stability through the establishment of a permanent government of a similar nature. Such a regime would have a better case in appealing for external aid than either a Communist government or an ineffectual Popular Front. By its compromise nature it would be more likely than other alternatives to make a general amnesty effective and to create the atmosphere in which reprisals could be held in check. At the same time, such a government would be more likely than a purely rightist regime to strive to reduce working-class dissatisfaction by spreading the distribution of the benefits of foreign economic aid. This would help to overcome some of the inequities characteristic of the present regime, resulting from the corruption apparent throughout its agencies and its political entanglement with privileged interests which it has not dared to call upon for any serious sacrifices.

6. PROSPECTS AHEAD.

For the next six months the present Government of Spain will continue to rule with little or no change in its stability or in its control of the country. This presumption is based on the view that (1) no change of government could be brought about successfully without the support of the Army, and (2) the Army will not relinquish its support of the Franco regime unless convinced that only the character of that regime and the person of its Chief of State prevent Spain from receiving a substantial amount of foreign economic aid and military equipment. Such assistance is at present unavailable to Spain. If it continues to be unavailable, and Spain's economy and its international relations do not improve, Franco will be faced with continuously increasing pressure built up within the country by economic deterioration and will probably be compelled to increase his repressive measures and extend state control of private enterprise. If, however, the granting of foreign economic and military aid should no longer be made contingent upon Franco's departure, and Franco should succeed in procuring economic and financial assistance adequate to halt this deterioration and to ameliorate conditions for the working people, the pressure will lessen, and the stability of the present regime will be improved.

This improvement would be inadequate, nevertheless, to ensure stability over a long period of years. The kind of political stability which exists when the majority of

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

citizens are satisfied with the basic characteristics of their government will not be possible in Spain until the antagonisms that made the Civil War so bitter have been assuaged. There is nothing to justify the hope that Franco's government is capable of significantly reducing those hatreds. Its indefinite prolongation, therefore, even if economic deterioration is contained, may lead to eventual violence and revolution. Avoidance of civil conflict can be predicted on a long-range basis only if the bulk of moderate men from both the Right and the Left sincerely seek cooperation, devote their energies to national reconstruction rather than to maneuvering against each other, and peacefully replace the present regime by one that is based on the consent of the governed.

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7

SECRET

U. S. GOVERNMENT PRINTING OFFICE
1927—S—1947

Declassified and Approved For Release 2013/05/20 : CIA-RDP78-01617A003000180002-7